

CROW BUTTE RESOURCES, INC.

86 Crow Butte Road
P.O. Box 169
Crawford, Nebraska 69339-0169



(308) 665-2215
(308) 665-2341 – FAX

October 10, 2003

Mr. Michael Linder
Director
Nebraska Department of Environmental Quality
PO Box 98922
Lincoln, Nebraska 68509-8922

Subject: Class III Underground Injection Control Permit Number NE 0122611
Class I Underground Injection Control Permit Number NE 0206369
Revised 2004 Surety Estimate

Dear Mr. Linder:

Attached is a revision to the annual surety estimate update for the Crow Butte Uranium Mine originally submitted on September 8, 2003. The revision is based upon review comments provided by the NDEQ staff. The following revised surety estimate sheets are attached:

1. Sheet 26 of 32 contained the 2002 Consumer's Price Index (CPI) to escalate the Deep Disposal Well Reclamation costs. The correct 2003 CPI of 183.7 has been used, increasing the estimate of this cost element from \$70,458 to \$71,947.
2. Sheet 4 of 32 corrects the month of the CPI-U estimate to June 2003;
3. Sheet 2 of 32 reflects an increase in the Site Earthwork category based on the CPI correction for the Deep Disposal Well; and
4. Sheet 1 of 32 reflects the new revised surety estimate of \$14,909,670.

Please replace the pages originally submitted with the attached revisions. All other estimates within the update remain unchanged.

Upon approval, Crow Butte Resources, Inc. will provide a secured letter of credit on the renewal date to the State of Nebraska in an amount equal to the updated surety estimate.

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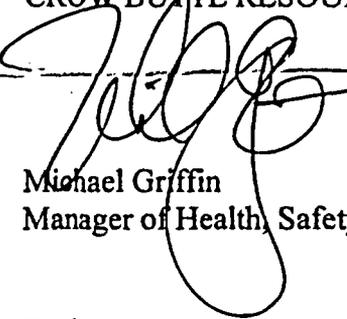
CROW BUTTE RESOURCES, INC.



Mr. Michael Linder
October 10, 2003
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If you have any questions or require any further information, please do not hesitate to call me at (308) 665-2215.

Sincerely,
CROW BUTTE RESOURCES, INC.



Michael Griffin
Manager of Health, Safety, and Environmental Affairs

Enclosure

cc: Ms. Susan Frant, Branch Chief
Fuel Cycle Licensing Branch
Division of Fuel Cycle Safety and Safeguards
c/o Document Control Desk
U.S. Nuclear Regulatory Commission
Washington D.C. 20555

U.S. Nuclear Regulatory Commission
Mr. John Lusher - ADDRESSEE ONLY
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Washington, DC 20555

Steve Collings – CBR, Denver

Crow Butte Resources, Inc.
Crow Butte Uranium Project 2003-2004 Surety Estimate
(Revised September 2003)

Total Restoration and Reclamation Cost Estimate			
I.	Groundwater Restoration (Sheets 2 to 4)		\$7,293,990
II.	Wellfield Reclamation (Sheets 5 to 8)		\$3,493,370
III.	Commercial Plant Reclamation/Decommissioning (Sheets 9 to 12)		\$350,304
IV.	R.O. Building Reclamation/Decommissioning (Sheets 9 to 12)		\$51,515
V.	Evaporation Pond Reclamation (Sheets 13 to 16)		\$530,174
VI.	Miscellaneous Site Reclamation (Sheets 17 to 19)		\$111,029
VII.	Deep Disposal Well Reclamation (Sheet 20)		\$71,947
VIII.	I-196 Brule Aquifer Restoration (Sheets 21 to 22)		\$25,408
	Subtotal Reclamation and Restoration Cost Estimate		\$11,927,736
		Contract Administration	10%
			\$1,192,774
		Contingency	15%
			\$1,789,160
		TOTAL	\$14,909,670

Crow Butte Resources, Inc.
Crow Butte Uranium Project 2003-2004 Surety estimate
(Revised September 2003)
Cost Element Summary

	<u>2004</u>	<u>2003</u>	<u>Change</u>
Groundwater Restoration			
Groundwater Sweep			
Total Gallons Processed (Kgal)	315,518	292,515	23,003
Total Cost	\$171,790	\$156,555	\$15,235
RO Treatment			
Total Gallons Processed (Kgal)	1,893,108	1,755,089	138,019
Total Cost	\$3,843,960	\$3,469,935	\$374,025
Recirculation			
Total Gallons Processed (Kgal)	315,518	292,515	23,003
Total Cost	\$224,613	\$207,655	\$16,958
Sampling and Monitoring			
Total On Site Samples	19,225	17,739	1,486
Total On Site Analysis Costs	\$903,030	\$815,994	\$87,036
Total Contract Samples	1,870	1,927	(57)
Total Contract Analysis Costs	\$280,500	\$289,050	(\$8,550)
Wellfield Reclamation			
Pipeline Removal and Loading	\$611,619	\$479,729	\$131,890
Well Abandonment			
Total Number of Wells	3,005	2,762	243
Total Abandonment Cost	\$1,017,580	\$508,992	\$508,587
Site Reclamation			
Site Earthwork	\$131,519	\$126,790	\$4,729
Plant and Equipment Decontamination			
Decontamination Costs	\$62,657	\$58,121	\$4,537
Demolition Costs	\$200,293	\$198,453	\$1,840
Piping Shredding Costs	\$203,829	\$181,297	\$22,533
Transportation and Disposal			
Byproduct Material			
Soil-Type Materials, Total Volume (Yd3)	3,293	2,982	311
Soil-Type Materials, Total Cost	\$441,296	\$359,378	\$81,918
Unpackaged Bulk Materials, Total Volume (Yd3)	1,712	1,594	118
Unpackaged Bulk Materials, Total Cost	\$227,305	\$184,797	\$42,508

Crow Butte Resources, Inc.
 Crow Butte Uranium Project 2003-2004 Surety Estimate
 (Revised September 2003)

Master Cost Basis

Electrical Costs			
Power cost	2003 Rate \$0.05	2004 Est Rate \$0.05	kwHr
Kilowatt to Horsepower	0.746	0.746	Kw/HP
Horsepower per gallon per minute	0.167	0.167	HP/gpm
Labor Rates			
Operator Labor Cost	2003 Rate \$120.91	2004 Est Rate (CPI) \$123.46	day
Engineer Cost	\$6,747.82	\$6,890.35	month
Radiation Technician Costs	\$5,562.76	\$5,680.26	month
Chemical Costs			
Antiscalant for RO (adj for current actual cost)	2003 Rate \$15.91	2004 Est Rate \$20.00	gal
Reductant	\$0.280	\$0.27	lb
Cement	*	\$0.10	pound
Bentonite Tubes	*	\$6.00	tube
Salt	\$61.00	\$61.00	ton
Plug Gel	\$6.98	\$6.30	sack
Well Cap	\$10.42	\$6.25	each
Hydrochloric Acid (adj for current actual cost)	\$0.57	\$0.62	gallon
* Basis changed from 2002 to use of bag cement, bentonite tubes.			
Analytical Costs			
Guideline 8 (contract lab)	\$150.00	\$150.00	analysis
6 parameter (in-house)	\$46.00	\$46.97	analysis
Other (radon, bio, etc.)	\$96.00	\$823.03	month
Spare Parts			
Restoration spare parts estimate	2003 Rate \$17,507.41	2004 Est Rate (CPI) \$17,877.22	year

CPI Escalators (CPI-U, U.S. City Average)	
1988 CPI (average)	118.3
June 1991 CPI (deep well estimate)	156.7
2002 CPI (June 2002)	179.9
Current CPI (June 2003)	183.7
2004 Escalation Factor	1.021

Crow Butte Resources, Inc.
Crow Butte Uranium Project 2003-2004 Surety Estimate
(Revised September 2003)

Deep Disposal Well Reclamation				
I.	Cost Basis			
	A. Plugging and Abandonment			
		Cost Estimate from June 1996 for plugging and abandonment		\$59,026
		June 1996 CPI		156.7
		June 2003 CPI		183.7
		<i>Subtotal Escalated 2003 Plugging and Abandonment Costs</i>		<i>\$69,196</i>
	B. Site Reclamation			
		Cost Estimate from June 1996 for reclamation		\$2,346
		June 1996 CPI		156.7
		June 2003 CPI		183.7
		<i>Subtotal Escalated 2003 Reclamation Costs</i>		<i>\$2,750</i>
TOTAL MISCELLANEOUS RECLAMATION COSTS				\$71,947



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Crawford, Nebraska 69339

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U.S. Nuclear Regulatory Commission
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